



State of Utah

JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

Department of Environmental Quality

Richard W. Sprott
Executive Director

DIVISION OF DRINKING WATER
Kenneth H. Bousfield, P.E.
Director

Drinking Water Board

Anne Erickson, Ed.D., *Chair*
Myron Bateman, *Vice-Chair*
Ken Bassett
Daniel Fleming
Jay Franson, P.E.
Helen Graber, Ph.D.
Paul Hansen, P.E.
Petra Rust
Richard W. Sprott
David K. Stevens, Ph.D.
Ron Thompson
Kenneth H. Bousfield, P.E.
Executive Secretary

MINUTES OF THE DRINKING WATER BOARD MEETING HELD ON JULY 11, 2008 IN CEDAR CITY, UTAH

Board Members Present

Anne Erickson, Chairman
Myron Bateman, Vice Chairman
Daniel Fleming
Jay Franson
Helen Graber, Ph.D.
Paul Hansen
Rick Sprott
David Stevens, Ph.D.
Ron Thompson

Board Members Excused

Ken Bassett
Petra Rust

Staff

Karin Tatum
Rich Peterson
Michael Grange
Mike Georgeson
Linda Matulich

Guests

Craig Spitler, Sky View WS
Misty Thomas, Sky View WS
John Chartier, P.E., DEQ District Engineer
R. Scott Wilson, Central Iron County WCD
Doug Nielsen, Sunrise Engineering
Kelly Crane, Nolte Associates
Rod Mills, Nolte Associates
Karl Heaton, Kane County WCD
George Mason, Central Iron County WCD
Vern Steel, Rural Water Association
Curtis Ludvigson, Rural Water Association
Carolynn Salar, Sky View WS
LaWitz Hadley, Sky View WS
Curtis Nelson, Sky View WS
Larry Brough, Enoch City
Rick Wixom, Springdale City
Pat Cluff, Springdale City
Kcris Hunter, Rural Water Association
Dustyn Shaffer, Sunrise Engineering
Jeff Hoyt, Kane County Water
Jamie Carpenter, St. George City
Barry Barnum, St. George City
Wes Jenkins, St. George City
Scott Taylor, St. George City

ITEM 1 – CALL TO ORDER

The Drinking Water Board convened in Cedar City, Utah with Chairman Erickson presiding. The meeting was called to order at 9:05 a.m.

ITEM 2 – ROLL CALL

Chairman Erickson asked Karin Tatum to call roll of the Board members. The roll call showed there were 9 members present.

ITEM 3 – INTRODUCTIONS

Chairman Erickson welcomed everyone and asked the guests to introduce themselves.

ITEM 4 – APPROVAL OF MINUTES – MAY 9, 2008 AND JUNE 6, 2008

Chairman Erickson stated a motion was in order to approve the May 9, 2008 minutes.

David Stevens moved to approve the May 9, 2008 minutes.

Jay Franson seconded.

Seven approved the minutes.

Two abstained.

CARRIED

Chairman Erickson stated a motion was in order to approve the June 6, 2008 minutes.

Danny Fleming moved to approve the June 6, 2008 minutes.

Paul Hansen seconded.

**CARRIED
(Unanimous)**

ITEM 5 – FOUR DAY WORK WEEK

Michael Grange addressed the Board on the new 4 day 10 hour work week that was just initiated by Governor Huntsman. A letter went out to 3,000 entities that are involved with the Division of Drinking Water on the new 4 day work schedule.

Michael mentioned that most of the State offices will be open Monday through Thursday from 7 am to 6 pm. The State offices will be closed on Fridays.

The Division of Drinking Water had a staff meeting on the day that the Governor made the announcement. Ken Bousfield and the managers acknowledged employees and requested that employees propose a schedule that would meet their needs as well as insure that the office is covered.

Michael mentioned that a calendar was enclosed in the packet showing available days for September's and November's DW Board meeting. Staff is requesting the Board review the calendar and decide what day and time they would like to hold the Drinking Water Board meeting.

Discussion followed.

Jay Franson moved the Board hold the next two Drinking Water Board meetings on September 10, 2008 and November 12, 2008 starting at 12:00 p.m. (Noon). The Board will decide at the November 12, 2008 Board meeting whether or not to keep the Board meeting on the second Wednesday of the month at 12:00 (Noon).

Myron Bateman seconded.

**CARRIED
(Unanimous)**

ITEM 6 – SRF/CONSERVATION COMMITTEE REPORT

1) Status Report – Karin Tatum

Karin Tatum reported the Board has a total of \$3.5 million available in the State Loan Fund program which does not include the grant that we are scheduled to receive in the next few weeks.

Karin mentioned in the Federal Loan Fund program, we are actually in the negative. Staff closed Logan City's \$3,000,000 loan about 3 weeks. Last week staff started working on the \$5,000,000 loan.

Ron Thompson joined the Board meeting.

2) Project Priority Report – Karin Tatum

Karin mentioned staff is adding 3 projects to the Project Priority List; Sky View (Central Iron Valley), Springville, and Enoch are asking the Drinking Water Board to approve the 3 applications and add them to the Project Priority List.

Jay Franson moved to approve Sky View, Springville and Enoch to the Project Priority List.

Anne Erickson seconded.

**CARRIED
(Unanimous)**

3) State Revolving Fund (SRF)

a) Enoch City – Karin Tatum

Karin Tatum reported Enoch City's total project cost is about \$2,500,000. The City is planning on contributing \$500,000 to the project. Some of the items were added at the last minute to their request. Karin went over the additional information.

Larry Brough, Enoch City's representative, addressed the Board.

Discussion followed.

Ron Thompson moved the Board authorize a \$1,910,000 construction loan to Enoch City at 1.97% interest for 20 years, with the condition that they resolve all the issues in their compliance report.

Jay Franson seconded.

**CARRIED
(Unanimous)**

b) Springdale Town – Michael Grange

Michael Grange reported Springdale Town's is requesting \$2,769,000 in financial assistance to construct a new 1,000,000 storage tank and install a new distribution pipeline. The total cost for the project is \$2,969,000. Springdale is contributing \$200,000 to the project. Michael reviewed Springdale's information.

Michael mentioned staff is requesting the Board authorize a \$2,000,000 construction loan at 1.00% for 30 years and a \$769,000 hardship grant, to construct a new water tank and install a new culinary water distribution pipeline.

Rick Wixom and Pat Cliff, representing Springdale, addressed the Board.

Discussion followed.

Ron Thompson moved the Board authorize a \$2,000,000 construction loan at 1.00% for 30 years and a \$769,000 hardship grant, to the Town of Springdale, to construct a new water tank and install a new culinary water distribution pipeline.

Discussion on motion.

Danny Fleming seconded.

**CARRIED
(Unanimous)**

c) Grouse Creek Water Company – Michael Grange

Michael Grange reported Grouse Creek Water Company is requesting \$560,000 to rehabilitate an existing well, build a well house and rehabilitate an existing spring.

Grouse Creek's MAGI is \$24,517 qualifying them for Principal Forgiveness. Their average monthly water bill is currently \$25.75 a month. Their request to the Board consists of a 50% loan and a 50% principal forgiveness.

Staff is recommending \$560,000 construction loan with \$280,000 in principal forgiveness and the remaining \$280,000 at 0.00% for 30 years, to rehabilitate an existing well, construct a well house, and rehabilitate spring with the condition that they resolve all the issues in their compliance report. A 1% loan origination fee of \$2,800 will be assessed, which either may be added to the authorized loan amount or paid by the community from their own funds at loan closing.

Discussion followed.

Ron Thompson moved the Board authorize a \$560,000 construction loan with \$280,000 in principal forgiveness and the remaining \$280,000 at 0.00% for 30 years with the condition they resolve all the issues in their compliance report. A 1% loan origination fee of \$2,800 will be assessed, which either may be added to the authorized loan amount or paid by the community at loan closing.

Paul Hansen seconded.

**CARRIED
(Unanimous)**

d) Kane County WCD – Swain’s Creek – Karin Tatum

Karin Tatum reported Kane County WCD – Swain’s Creek has \$600,000 in their budget. Kane County is requesting the Board allow them to use the \$600,000 for the Long Valley Estates.

Discussion followed.

Danny Fleming moved the Board authorize the change in scope of work for Kane County Water Conservancy District to utilize any funding left over from their Swain’s Creek project for planning, design and construction of the Long Valley Estates Project. Additionally, after the Board has authorized the Long Valley Estates project, the District may start using these funds immediately to start paying for planning and design expenses.

Paul Hansen seconded.

**CARRIED
(Unanimous)**

e) Kane County WCD – Long Valley Estates – Karin Tatum

Karin Tatum reported the Kane County Water Conservancy District – Swain’s Creek is requesting a change in the scope of work. They will complete the project with nearly \$600,000 remaining in their budget. They would like to utilize the \$600,000 towards a portion of the Long Valley Estates project. Long Valley Estates is No. 8 on the Top 25 Not Approved Water Systems list in the State of Utah.

Discussion followed.

Ron Thompson moved the Board authorize a \$1,025,000 loan for 20-years at 2.82% with a 1% loan origination fee, that they resolve other issues as set forth by staff.

Danny Fleming seconded.

**CARRIED
(Unanimous)**

f) CICWCD Phase II – Karin Tatum

Karin Tatum reported Central Iron County WCD is requesting a change in the scope of work for their Phase II project. They would like to apply the \$200,000 under their project cost. They would like to put the savings towards the Sky View Subdivision project. Sky View is #1 on the Top 25 Not Approved Water Systems list in the State of Utah.

Discussion followed.

Danny Fleming moved the Board authorize the change in scope of work for Central Iron County Water Conservancy District to utilize any funding left over from the Phase II Project for the Planning, Design and Construction of the Sky View Subdivision project. After the Board authorized the Sky View Subdivision project, the District may start using these funds immediately to start paying for planning and design expenses for the Sky View subdivision project.

Paul Hansen seconded.

**CARRIED
(Unanimous)**

g) CICWCD Sky View Subdivision – Karin Tatum

Karin Tatum reported Central Iron Country Water Conservancy District is requesting \$430,000 in financial assistance to construct a 17,500 L.F. of 8” distribution main, fire hydrants and new service laterals with meters for the Sky View Subdivision. Sky View Subdivision is in the top 25 worst water systems in the State of Utah.

Karin mentioned that Misty Thomas, Sky View Subdivision resident, has been paying most of the Subdivisions bills out of her own pocket for the Sky View Subdivision.

A Sky View Subdivision resident addressed the Board.

Misty Thomas, a Sky View Subdivision representative, addressed the Board.

Discussion followed.

Paul Hansen moved the Board authorize a \$430,000 hardship grant to Central Iron County Water District with the condition that CICWCD resolves all the issues in Sky View Subdivision Water System’s compliance report.

Helen Graber seconded.

**CARRIED
(Unanimous)**

h) Pine Meadow Mutual Water – Change in Scope of Work – Karin Tatum

Karin Tatum reported Pine Meadow Mutual Water is requesting a change in the scope of work for their project. Pine Meadow Mutual has received some good bids and has been very effective in managing the project and as a result has saved approximately \$600,000 from their original budget. PMMWC would like to add a 54' x 54' maintenance building utilizing their savings. The cost for the building is approximately \$600,000

Anne Erickson moved the Drinking Water Board authorize a change in the scope of work for Pine Meadow Mutual Water Company to construct the maintenance building

David Stevens seconded.

**CARRIED
(Unanimous)**

i) Garden City – Rich Peterson

Rich Peterson mentioned the Board previously authorized \$2,700,000 loan to Garden City in 4 previous requests. Garden City received a planning advance of \$33,000. Garden City has some concerns on the planning advance they received from the DW Board recently, and therefore, they are asking for some clarification regarding the planning advance.

Discussion followed.

Ron Thompson moved the Board authorize the repayment of the 2002 planning advance be waived.

Jay Franson seconded.

**CARRIED
(Unanimous)**

ITEM 7 – GROUND WATER RULES R309-515-6 (3), (6) AND (12) WELL GROUT AUTHORIZATION

Chairman Erickson welcomed Mike Georgeson back to the Division.

Mike Georgeson mentioned Ying-Ying asked him to come back and finish up some work on the Ground Water Rules and Well Grout Authorization.

Mike reported on the information in the packet on the changes that have been made in the Rule. In April and June, the Division sent the information to the Water Well Drillers and Engineers who work with the Division and who the Division works with as well.

Mike mentioned staff received some comments on the revisions to the rule. The Board members were sent a copy of the comments last week. Mike reviewed the comments staff received.

Mike mentioned staff is recommending the Board revise the proposed rules as they would feel necessary and authorize staff to proceed with rulemaking or instruct staff to obtain any additional information or comments for consideration at a future Board meeting.

Discussion followed.

Ron Thompson moved the Board authorize staff to revise the proposed rules as they feel necessary, and authorize staff to proceed with rulemaking, or instruct staff to obtain any additional information or comments for consideration at a future Board meeting.

Craig Wellmaster, guest, addressed the Board.

Paul Hansen seconded.

**CARRIED
(Unanimous)**

ITEM 8 – STATE REVOLVING FUND (SRF) RULE REVISIONS R309-700 AND R309-705

Rich Peterson reported on the Proposed Revisions to Rule R309-700 and R309-9705. These two rules were brought to the Board last year for review. Rich reviewed what was changed and/or added in the two rules that are in the Board packet.

Discussion followed.

Rich Peterson mentioned staff is recommending review of the proposed changes to Rule R309-700 and R309-705, and if the Board reflects what is wanted, authorize staff to initiate the rulemaking process for the rule.

Ron Thompson moved the Board authorize the publication of the proposed rule changes to R309-700 and R309-705.

Myron Bateman seconded.

**CARRIED
(Unanimous)**

ITEM 9 – ST. GEORGE CITY ARSENIC EXEMPTION EXTENSION

Rich Peterson mentioned St. George is requesting the Drinking Water Board approve an Arsenic exemption extension to comply with the new Arsenic Standard for drinking water. St. George City's current extension expires in January 2009.

Rich mentioned St. George City is over the limit of 30,000 residents living in their community, thus making St. George City ineligible for an exemption.

Discussion followed.

Myron Bateman moved the Board authorize a bilateral agreement between St. George City and the State of Utah to have their Arsenic Exemption resolved by 2011 and explain what they are doing regarding their Arsenic issue.

Ron Thompson seconded.

**CARRIED
(Unanimous)**

ITEM 10 – WILLOW CREEK WATER COMPANY ARSENIC EXEMPTION

No report was given.

ITEM 11 – OPERATOR CERTIFICATION COMMISSION INFORMATION

Jay Franson represents the Board on the Operation Certification Commission.

Jay mentioned the Operator Certification Commission held a meeting since the last Board meeting. Jay said that Kim Dyches is doing a great job with the Operator Certification program. Utah's Operator Certification program is on known nationally. A lot of people are looking at Utah's program, and they are very supportive of our program and how we do it. We are working very well with the Rural Water Association of Utah. The Operator Certification program is working very well in the State. There are very few systems that do not have a certified operator.

Jay mentioned the Operator Certification Commission elected Mark Clark to Chair the Commission. The Operator Certification Commission elected Bart Simons to be the Vice Chair of the Commission.

Jay mentioned there are a couple of appointments that expire at the end of this year, and a couple of replacements will be looked into. The Board members will want to look at who they want to be on the Commission.

ITEM 12 – CHAIRMAN'S REPORT

Chairman Erickson thanked staff for the work they do and in helping out with the Board meetings so well.

Chairman Erickson mentioned Karin Tatum has accepted a job with EPA Region VIII in Denver, Colorado. Karin was thanked her for her hard work with the Board and the Division.

ITEM 13 – DIRECTORS REPORT

a) Conflict of Interest Forms Update

Karin Tatum mentioned there are some Conflict of Interest forms for the Board members to fill out.

A Non Conflict of Interest form was handed out at the last Board meeting for the Board to fill out if they don't have a conflict of interest.

The conflict of interest forms are for the Board members that do have a conflict of interest, and need to fill them out.

b) Henrieville Update

On behalf of Henrieville, Brett Chenoweth expressed his thanks to the Board for their assistance to the Town. He also reported in a June 17, 2008 telephone call to Ken Bousfield that the project as complete, and they were in the process of disinfecting the line prior to placing it into service.

c) Rural Water Conference of Northern Utah

If the Board members are interested in attending the conference, let Linda know and she can get the Board members registered.

ITEM 14 – NEXT BOARD MEETING

Chairman Erickson reported the next Board meeting will be on September 10, 2008, at Noon. The meeting will be at 168 North 1950 West, Room 101, Salt Lake City, Utah.

ITEM 15 – OTHER

No other business.

ITEM 16 – ADJOURN

Chairman Erickson stated a motion to adjourn the Board meeting was in order.

A motion was made to adjourn the Drinking Water Board meeting.

The motion was seconded.

**CARRIED
(Unanimous)**

**Linda Matulich
Recording Secretary**